Talk to a lead in five minutes or another agent will: the importance of lead response

In real estate, there is almost nothing more important than lead response.

While acquiring listings, hiring the right agents and developing ongoing business are important, none of these can occur without buyers or listings. Responding to leads is how you develop your business, and if leads dry up, your business does, too. As we'll explore further in, most prospects want to actually *speak* to an agent on the phone throughout the real estate transaction. Therefore, to close business, agents need to answer the phone.

In an post from April 2011, blogger Missy Caulk of the popular real estate blog *Agent Genius* stated, "answering the phone is not sexy but…[but] being online is fruitless if we don't pick up the phone." In the real estate industry, agents talk for a living. Real estate thrives on the ability to communicate with clients and talk to prospects at the right time.

Even if your business is primarily online, your business strategy is incomplete without the phone. More than just enabling real-time conversations with prospects, the phone is your business' most powerful tool for its ability to facilitate lead response and ad measurement.

Consumer demands for lead response time

In the competitive market of real estate, lead response needs to be more than fast: it needs to be almost immediate. If you don't talk to a lead in five minutes, chances are, another agent will. According to a recent study by InsideSales[1], the odds of *contacting* a lead increase by 100x if attempted within five minutes versus 30 minutes. The odds of *qualifying* a lead increase by 21x if attempted within five minutes versus 30 minutes.

> *"**86 percent** of respondents indicated that response time was "extremely important" in their choice for an agent."*

A separate study[2] found that 48 percent of agents do not respond to internet leads at all, while 23 percent of responses that did occur came eight hours after the lead was submitted.

Pressure from your competitors isn't the only reason REALTORS® need to improve lead response time. A 2008 California Association of Realtors study shows that lead response is important to consumers, stating 86 percent of respondents indicated that response time was "extremely

[1] InsideSales.com Research and Analytics Division (2011)
[2] PCMS Consulting and One Cavo Study (2011)

important" in their choice for an agent.

The NAR 2010 profile of homebuyers and sellers shows 93 percent of respondents said responsiveness was "very important" in selecting an agent.

The previously referenced PCMS Consulting and One Cavo Study[3] reveals "today's Internet consumer is expecting a response certainly within the hour but, more likely, within 15 or 20 minutes."

Improving response and distribution by phone

Email volume and frequency is an obvious barrier to faster lead response times. One solution is better lead distribution where agents use available technology route leads faster. However, *routing* leads and *responding* to leads are not completely synonymous. Some lead routing systems ask an agent to "accept" a lead, giving the agent minutes to accept or reject the lead. Unfortunately for the prospect, this method of "acceptance" simply tells the distribution system *that* the agent is accepting the lead; no actual connection–which is highly valued by the prospective buyer–occurs.

Are you willing to stake your reputation on a person you don't know answering your phone and talking to your leads?

Other systems provide live support that can reach out to your leads if an agent doesn't respond in time, but lack the familiarity and training of your brokerage's agents; such off-site support (usually in a call center) aren't familiar with your brokerage, the neighborhoods in which you sell, the inventory, or the true quality of the lead.

With today's lead tracking tools, agents can command more of their business than ever by phone. Voice-Based Marketing Automation makes it possible to have a mobile office or team without missing a lead. Inbound calls can be intelligently routed to the right agents, while online webforms can generate instant phone calls to your designated numbers, putting you in contact with your prospects within seconds. Receive instant notification of eager prospects and connect by phone immediately rather than relying on e-mail alone.

Using these voice-based applications gives you several competitive advantages: sophisticated reporting tools (that other brokers and agents don't have), ad testing and tracking capabilities (with the ability to tweak ads based on the call activity) and total mobility (go anywhere in the world without missing a lead).

Though many agents insist e-mail works just fine for their business needs, it doesn't work well for

[3] PCMS Consulting and One Cavo Study (2011)

prospects who highly value quick response from an agent. According to the NAR 2010 Profile of Home Buyers and Sellers, 64 percent of prospects choose to work with the first agent they interview; that agent tends to be the one who responds first. First response is most likely not an e-mail sent hours after the first contact was made. That's why closing a lead is all about answering your phone.

*43 **percent** of all search related conversions happen over the phone*[4]

Enhancing advertising by phone

Advertising is critical to real estate success, but ad measurement can be a real challenge. To sell a property, agents have to advertise, but it becomes difficult to know how much effort is enough. Is it a street sign, a newspaper ad, an online ad, a flyer? Maybe it's a combination of all of them, or the right mixes of a select few. The truth is, it's difficult to know how much advertising is enough–but it's easy to tell that all marketing mix is expensive.

An average agent could spend at least $270 per newspaper to advertise a listing. Add to that one month of an online listing and a house sign. For added context, the average REALTOR® advertises between 5-20 listings per year, meaning the average REALTOR® could end up spending between $2,000-$5,000 on marketing in one year alone. That range is basically equal to one transaction. With the threat of advertising costs taking up so much of an agent's commission, it's even more important to measure ad performance and invest only in the outlets that perform.

The costs if ineffective advertising aren't just monetary, either; the time you spend on social media sites is expensive time spent networking and building relationships. If those efforts fail to produce new leads, your valuable time has been lost.

Adding to the marketing and advertising expense is the actual cost associated with variation between your experience and your client's opinions. If an agent believes internet and signage are the most effective ways to market a listing but the client believes newspaper, brochures and direct mail are the most effective, the agent faces a frustrating challenge: even though an agent has years of experience, he or she still has to listen to the client's demands and buy the newspaper ads. Studies indicate that up to 60 percent of the total cost spent to market a listing is spent on newspaper ads despite the fact that those ads often fail to perform. Without the data on ad performance, the data on the calls from these ads, it will be more and more difficult to persuade clients to choose a more cost-effective option.

[4] *http://www.adinsight.eu/media/AdInsight-Brochure-Web.pdf*

Luckily, call-tracking easily addresses both the client disconnect and measurement mystery. In call tracking, agents can easily assign unique phone numbers to every type of ad or piece of marketing. When one of those ads or marketing vehicles generates a phone call lead, agents know exactly what ad the prospect saw. If the ad appeared online, you can tell what keyword search resulted in the ad that prompted the phone call.

*There is a **10%** increase in click-through-rates for pay-per-click ads with a phone number*[5]

What's more, call tracking can even be used to test creative in a market, using the results from the ads to renegotiate advertising rates with suppliers.

As consumer demands shift to expect faster response while pressure from competitors increases, voice-based marketing automation provides an effective solution for REALTORS® that meaningfully change and improve business. From instant lead response to capturing your call data as it relates to advertising, applications like those from Ifbyphone make any REALTORS® phone the most powerful business tool available.

Who is Ifbyphone?

Ifbyphone is a voice-based marketing automation platform that helps companies drive sales, reduce collection cycles, measure marketing effectiveness and improve customer experience.

Ifbyphone provides a suite of software-as-a-service voice applications for call tracking, call notifications, call forwarding, call automation and interactive voice response (IVR). These technologies help you manage, measure and automate voice communications. It's easy to implement the entire platform of voice applications through the online portal.

To learn more about call tracking and other voice-based marketing automation solutions, visit Ifbyphone or call (877) 295-5100 today

[5] *Source: BIA/Kelsey & ConStat Commerce Monitor Wave XIII, August 2009*